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Volume 4

MILK MARKET INFORMATION
CHATTANOOGA TENNESSEE MARKETING AREA
JUNE 1960

Number 11

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CURRENT SERIAL RECORDS
JUL 12 1960
U.S. DEPARTMENT OF AGRICULTURE

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Federal Order No. 100, 3756 Ringgold Road, Chattanooga 11, Tennessee
J. B. McCroskey, Market Administrator

MARKET SUMMARY JUNE 1960

The Chattanooga Order MINIMUM uniform producer prices per cwt. f.o.b. pool plants for milk testing 4.0% are: Base Milk $4.98, Excess Milk $3.02. The butterfat differential is 7.2 cents for each one-tenth of one percent above or below 4.0%.

During June 82.7% of the total producer milk was priced in Class I at $5.23 per cwt. with a butterfat differential of 7.5 cents and 17.3% was priced in Class II at $3.06 per cwt. with a butterfat differential of 6.7 cents. The percent of producer skim and butterfat priced in Class I was 83.2% and 71.0% respectively. Base milk was 92.4% and excess milk was 7.6% of the total producer deliveries. All excess milk and 10.5% of base milk was priced in Class II and 89.5% of base milk was priced in Class I.

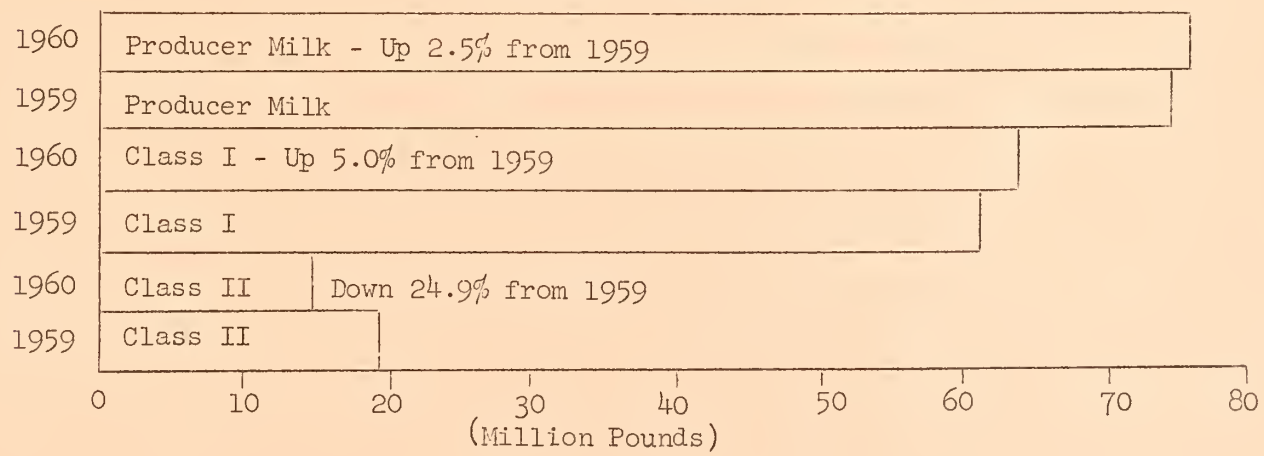
The daily average deliveries of producer milk during June decreased 12.2% compared with May and decreased 3.5% compared with June 1959. The daily average use of Class I milk decreased 2.4% compared with May and increased 2.4% compared with June 1959. The daily average base delivered was 86.4% of the established base.

NUMBER OF FARM PAYROLL ACCOUNTS

	1959							1960					
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Can	343	311	264	246	218	203	198	185	178	167	164	162	157
Tank	395	418	478	486	503	513	515	528	526	534	538	535	538
Total	738	729	742	732	721	716	713	713	704	701	702	697	695
New	0	0	20	5	4	2	3	5	1	0	3	0	1
Quit	4	9	7	15	15	7	6	5	10	3	2	5	3

A survey of May 1960 Class I unit sales shows 21.3% of the volume was distributed through retail outlets and 78.7% through wholesale outlets as compared with 22.0% and 78.0% respectively for May 1959. This survey also revealed that 73.3% of May 1960 volume was distributed in paper containers which is the same percentage as reported for May 1959.

PRODUCER RECEIPTS COMPARED WITH GROSS CLASS UTILIZATION
(JANUARY THRU JUNE)



COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	June '60	May '60	June '59
Number of Plants (Pool and Non-Pool)	19	19	19
GROSS RECEIPTS (DAILY)			
Producer Milk - Cans	69,151	80,543	162,745
Producer Milk - Bulk Tank	320,911	363,562	241,498
Total Producer Milk Pounds	390,062	444,105	404,243
% June '60 compared with:	100.0	87.8	96.5
Other Source Milk Pounds	8,847	8,043	8,563
Other Order Milk Pounds	7,779	8,394	27,782
TOTAL RECEIPTS MILK POUNDS	406,688	460,542	440,588
% June '60 compared with:	100.0	88.3	92.3
GROSS UTILIZATION (DAILY)			
Class I Milk Pounds:			
Fluid Milk	266,758	275,979	258,606
Buttermilk	39,516	38,324	40,124
Chocolate Milk	8,422	7,686	7,651
Fluid Skim	9,512	9,410	7,392
Fluid Creams	2,455	2,866	2,190
Bulk to Non-Handlers	902	803	1,933
Class I Shrinkage	475	1,723	2,372
Inventory Reclassification	(333)	(828)	(128)
Overstated Sales	-	(42)	-
Total Class I Milk	327,707	335,921	320,140
% June '60 compared with:	100.0	97.6	102.4
Class II Milk Pounds (Used to Produce)			
Butter	1,161	7,371	1,180
Cottage Cheese	14,573	12,445	12,813
Powdered and Condensed Milk	32,981	67,318	67,531
Ice Cream	22,613	25,391	32,471
Inventory Variation	(2,909)	2,177	(3,278)
Other	10,562	9,919	9,731
Total Class II Milk	78,981	124,621	120,448
% June '60 compared with:	100.0	63.4	65.6
TOTAL UTILIZATION CL.I AND CL.II MILK LBS.	406,688	460,542	440,588
% Producer Milk of Gross Class I	119.0	132.2	126.3
% Delivered Base of Gross Class I	109.9	116.4	110.7
% Delivered Base Priced in Class I	89.5	84.8	82.0
% Producer Milk Priced in Class I	82.7	74.6	71.8

JULY 1960 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	July '60	June '60	July '59
Basic Formula (See page 4)	$3.36	$3.36	$3.35
Plus (§ 1000.51 (a)(1))	1.75	1.75	1.75
Supply-Demand Adjustment	0.14	0.12	0.00
Class I Price, 4.0% Butterfat	$5.25	$5.23	$5.10

Per § 1000.51 (a)

Supply-Demand Comparison: 1st and 2nd preceding months: May and June		
Supply: Lbs. Producer Milk (May 13,767,246 and June 11,701,861)		25,469,107
Demand: Lbs. Net Class I Milk (May 10,310,739 and June 9,714,645)		20,025,384
Utilization Percentage: Producer milk divided by Class I		127
Standard Utilization Percentage: Range 134 - 138		134
Net Deviation Percentage: Utilization minus Standard Utilization	minus	7
Supply-Demand Adjustment: 2 cents x 7 percentage points	plus	$0.14

Since the supply in relation to the demand is less than the desired standard, the price is increased 14 cents per hundredweight (2 cents x 7 percentage points).

SUMMARY OF COMPUTATION OF UNIFORM PRODUCER PRICES FOR JUNE 1960
Based on 19 plant reports prior to audit

	Class %	Milk Pounds	Butterfat Test %	Cwt. Price @ Test	Value
Gross Class I		9,831,201	3.498		
Less Other Source		155,157	1.539		
Producer Milk Class I	82.7	9,676,044	3.529345	$4.877009	$471,901.54
Gross Class II		2,369,432	6.105		
Less Other Source		343,615	1.485		
Producer Milk Class II	17.3	2,025,817	6.888628	4.995381	101,197.28
TOTAL PROD.(Cl.I + Cl.II)	100.0	11,701,861	4.110902		573,098.82
Add Fractional Adjustment					.01
Add Compensatory Payment Value					565.84
Add Overage Value					199.12
Add Inventory Reclassification Value					187.57
Add ½ Prod.-Settlement Fund Reserve					6,071.63
TOTAL VALUE AT TEST		11,701,861	4.110902		580,122.99
Less Test Over 4% @ 7.2¢ per point		11,701,861	.110902	0.079849	9,343.82
TOTAL PRODUCER MILK VALUE AT 4% TEST		11,701,861	4.0		570,779.17
		Pounds	Price 4%	Amount	
Excess Producer Milk - Class I		-	-	-	
Excess Producer Milk - Class II		893,912	$3.06	$27,353.71	
Total Excess Producer Milk		893,912	3.06	27,353.71	
Less Prod.-Settlement Fund Res. @ 4¢		893,912	.04		357.57
UNIFORM EXCESS PRICE f.o.b. plant @ 4%		893,912	3.02		26,996.14
Value of Base Milk (Total less Excess)		10,807,949	5.028017		543,425.46
Less Producer-Settlement Fund Reserve		10,807,949	.048017		5,189.65
UNIFORM BASE PRICE f.o.b. plant @ 4%		10,807,949	$4.98		$538,235.81

JUNE 1960 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT
BUTTERFAT DIFFERENTIAL 7.2¢ PER POINT (EXCLUDES PREMIUMS)

TEST %	PRICE BASE	PRICE EXCESS	TEST %	PRICE BASE	PRICE EXCESS	TEST %	PRICE BASE	PRICE EXCESS
3.0%	$4.26	$2.30	4.0%	$4.98	$3.02	5.0%	$5.70	$3.74
3.05	4.296	2.336	4.05	5.016	3.056	5.05	5.736	3.776
3.1	4.332	2.372	4.1	5.052	3.092	5.1	5.772	3.812
3.15	4.368	2.408	4.15	5.088	3.128	5.15	5.808	3.848
3.2	4.404	2.444	4.2	5.124	3.164	5.2	5.844	3.884
3.25	4.44	2.48	4.25	5.16	3.20	5.25	5.88	3.92
3.3	4.476	2.516	4.3	5.196	3.236	5.3	5.916	3.956
3.35	4.512	2.552	4.35	5.232	3.272	5.35	5.952	3.992
3.4	4.548	2.588	4.4	5.268	3.308	5.4	5.988	4.028
3.45	4.584	2.624	4.45	5.304	3.344	5.45	6.024	4.064
3.5	4.62	2.66	4.5	5.34	3.38	5.5	6.06	4.10
3.55	4.656	2.696	4.55	5.376	3.416	5.55	6.096	4.136
3.6	4.692	2.732	4.6	5.412	3.452	5.6	6.132	4.172
3.65	4.728	2.768	4.65	5.448	3.488	5.65	6.168	4.208
3.7	4.764	2.804	4.7	5.484	3.524	5.7	6.204	4.244
3.75	4.80	2.84	4.75	5.52	3.56	5.75	6.24	4.28
3.8	4.836	2.876	4.8	5.556	3.596	5.8	6.276	4.316
3.85	4.872	2.912	4.85	5.592	3.632	5.85	6.312	4.352
3.9	4.908	2.948	4.9	5.628	3.668	5.9	6.348	4.388
3.95	4.944	2.984	4.95	5.664	3.704	5.95	6.384	4.424

MILK SAMPLES TESTED - Composite 102, Fresh 5,752, Finished Products 244.

SUMMARY OF CHATTANOOGA ORDER MILK PRICES (4 PERCENT MILK)

Month	PRODUCER UNIFORM PRICES 1/ Per Hundredweight				HANDLER CLASS PRICES 1/			
					Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
June '59	$4.46 2/	$4.67	$2.99	7.2¢	$5.05	7.5¢	$3.03	6.7¢
July	4.61 2/	4.83	2.99	7.2	5.10	7.5	3.03	6.7
Aug.	4.58	-	-	7.4	5.10	7.5	3.04	6.9
Sep.	4.77	-	-	7.6	5.04	7.8	3.57	7.2
Oct.	4.94	-	-	8.0	5.14	8.2	3.59	7.2
Nov.	5.08	-	-	7.8	5.36	8.1	3.67	7.4
Dec.	5.12	-	-	8.0	5.48	8.3	3.57	7.1
Jan.'60	4.96	-	-	7.6	5.34	8.0	3.38	6.7
Feb.	4.96	-	-	7.2	5.26	7.5	3.21	6.7
Mar.	5.07 2/	5.18	3.15	7.4	5.25	7.5	3.19	6.7
Apr.	4.93 2/	5.18	3.05	7.2	5.40	7.5	3.09	6.7
May	4.73 2/	4.96	3.02	7.2	5.34	7.5	3.06	6.7
June	4.83 2/	4.98	3.02	7.2	5.23	7.5	3.06	6.7
July	-	-	-	-	5.25	7.5	-	-

SUMMARY OF PRICES USED IN DETERMINING CLASS PRICES

Month	AVERAGE QUOTATIONS				ALTERNATIVE FORMULAS ($-cwt-4%)				Highest or Basic Formula
	Mid-West Cond.	Chi.92° Butter	Chi.Area Powders	Wisc. Cheese	Mid-West Cond.	Butter Cheese	Butter Powder	4 Tenn. Milk Mfg.	
	$-cwt-3.5%	¢ Lb.	¢ Lb.	¢ Lb.					$-cwt-4%
June'59	2.908	57.974	12.600	31.000	3.27	3.14	3.35	3.03	3.35
July	2.933	58.026	12.645	31.100	3.29	3.14	3.35	3.03	3.35
Aug.	2.965	60.190	12.820	31.531	3.34	3.24	3.45	3.04	3.45
Sep.	3.015	62.730	12.890	31.692	3.39	3.36	3.57	3.10	3.57
Oct.	3.098	62.360	13.070	31.875	3.50	3.35	3.59	3.13	3.59
Nov.	3.146	63.930	13.025	33.688	3.54	3.45	3.67	3.18	3.67
Dec.	3.154	61.870	13.190	34.750	3.55	3.38	3.57	3.20	3.57
Jan.'60	3.128	57.962	13.250	34.750	3.51	3.20	3.38	3.21	3.51
Feb.	3.119	57.976	13.205	34.750	3.48	3.20	3.38	3.21	3.48
Mar.	3.095	57.970	13.070	34.750	3.47	3.20	3.38	3.19	3.47
Apr.	3.032	57.974	12.975	32.350	3.39	3.16	3.35	3.09	3.39
May	2.998	57.944	12.800	32.000	3.36	3.15	3.34	3.06	3.36
June	3.000	57.974	12.755	32.000	3.36	3.15	3.35	3.06	3.36

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE)

Month	GROSS MILK POUNDS 3/					Number of		Deliveries Per Farm -- Pounds			Prod. Milk Test %
	Gross Cl. I	Prod. Cl. I	Prod. Rcpts.	Base Rcpts.	Gross Rcpts.	Hdlr.	Prod.	Prod.	Base	Exc.	
June'59	320,140	290,413	404,243	354,261	440,588	19	738	548	480	68	4.11
July	331,541	301,520	390,727	343,678	427,610	19	729	536	471	65	4.10
Aug.	342,026	311,661	411,167	-	447,707	19	742	554	-	-	4.07
Sep.	393,150	362,439	438,703	-	475,704	19	732	599	-	-	4.13
Oct.	387,831	374,731	415,281	-	436,355	19	721	576	-	-	4.30
Nov.	361,259	349,558	410,745	-	429,673	19	716	574	-	-	4.46
Dec.	353,852	349,128	409,090	-	423,765	19	713	574	-	-	4.45
Jan.'60	356,702	352,740	418,024	-	428,067	19	713	586	-	-	4.41
Feb.	366,497	359,974	411,811	-	428,184	19	704	585	-	-	4.39
Mar.	365,221	360,667	388,663	369,057	412,087	19	701	554	526	28	4.43
Apr.	364,153	359,231	443,629	393,158	457,813	19	702	632	560	72	4.18
May	335,921	331,315	444,105	390,854	460,542	19	697	637	561	76	4.16
June	327,707	322,535	390,062	360,265	406,688	19	695	561	518	43	4.11

1/ Excludes Premiums

2/ For statistics only

3/ Other Source is Gross minus Producer; Class II is Receipts minus Class I; Excess is Producer minus Base